



American Gilsonite Company

A Subsidiary of Chevron Resources Company
Bonanza, UT 84008 • Phone (801) 789-1921

Bonanza Mining Operations

May 23, 1983

Copy To Tam T.
File
ACT/047/010
JWS
6-6-83

Mr. James W. Smith
Utah Division of Oil,
Gas and Mining
4241 State Office Bldg.
Salt Lake City, UT. 84114

Dear Mr. Smith:

American Gilsonite Company is currently preparing to develop new mine sites on the Pride Of The West patented mining claims. The location of these claims can be noted on the USGS ASPHALT WASH QUANDRANGLE map presented in the Mining and Reclamation Plan submitted to the division on February 25, 1983.

The first phase of this development will disturb approximately 9.5 additional acres of land, 7.5 acres of road and 2.0 acres of facility site. Nearly all of the access road will be constructed on BLM land. Application to construct was submitted to the BLM on January 14, 1983 and approved on May 11, 1983. A copy of the application and approval are enclosed.

On April 14, 1983, vegetative transects were conducted and soil samples taken. Their results will be included with the annual progress report to be submitted in January, 1984. All mining and reclamation at the site will be as described in the previously submitted MRP. The BLM has required seeding to be conducted between October 1 and November 15, 1983, using their seed mixture.

If you have any questions, please write or call me at 789-7795.

Sincerely,

O.L. Eyock
Environmental Coordinator

OLF:vjw

Encl.

cc: RLH W/O encl.
RFD W/O encl.
REC W/O encl.

RECEIVED
JUN 01 1983

DIVISION OF
OIL, GAS & MINING



IN REPLY
REFER TO:
U-52111

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
VERNAL DISTRICT OFFICE
170 South 500 East
Vernal, Utah 84078

Right-of-Way

Section A.

1. There is hereby granted, pursuant to Title V of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1761), non-exclusive, non-possessory right-of-way to:

American Gilsonite Company
Bonanza Mining Operations
Bonanza, UT 84008

In case of change of address, the holder shall immediately notify the authorized officer.

2. To use, subject to terms and conditions set out below, the following described Public Land:

T11S, R24E, Sections 5, 6 & 8

3. Description of the right-of-way facility and purpose:

The right-of-way is a road to be constructed, maintained and used for access/haulage to holder's patented mining claims on the Pride of the West gilsonite vein.

The right-of-way is 30 feet wide, 2.5 miles in length, and contains 7.5 acres more or less.

A map showing the location of the right-of-way over the above described public land is attached hereto as Exhibit "A".

Section B.

1. The right-of-way holder agrees to comply with all the applicable regulations contained in 43 CFR 2800.
2. If the right-of-way holder violates any of the terms and conditions to this grant, the authorized officer, after giving written notice, may declare the grant terminated.
3. This grant is subject to all valid rights existing on the effective date of this grant.

4. There is reserved to the authorized officer, the right to grant additional rights-of-way or permits for compatible uses on, over, under, or adjacent to the land involved in this grant.
5. The right-of-way shall be relinquished to the United States if the authorized uses are no longer needed.
6. All other terms and conditions. Compliance will be in accordance with the terms and conditions as specified herein and in Exhibit "B", attached hereto and made a part hereof.
7. Rental.

In consideration of these uses, the holder shall pay annually to the Bureau of Land Management, the sum of \$5.00: Provided, however, charges for these uses may be made or readjusted whenever necessary to place the charges on the basis of fair market value of uses authorized by this grant. This right-of-way grant is not in force unless the holder has paid the rental fee in advance.

8. This right-of-way shall terminate 30 years from the effective date of this grant unless prior thereto it is relinquished, abandoned, terminated, or otherwise modified pursuant to the terms and conditions of this grant or of any applicable Federal law or regulation.
 - a. This right-of-way grant may be renewed. If renewed, the right-of-way will be subject to regulations existing at the time of renewal, and such other terms and conditions deemed necessary to protect the public interest.

Section C.

The effective date of the grant is the date of execution by the authorized officer.

The undersigned agrees to the terms and conditions of this right-of-way grant:

The right-of-way grant is executed this day of , 1983.

American Gilsonite Company

By: [Signature]

Area Manager

Title: [Signature]

Date: 5/1/83

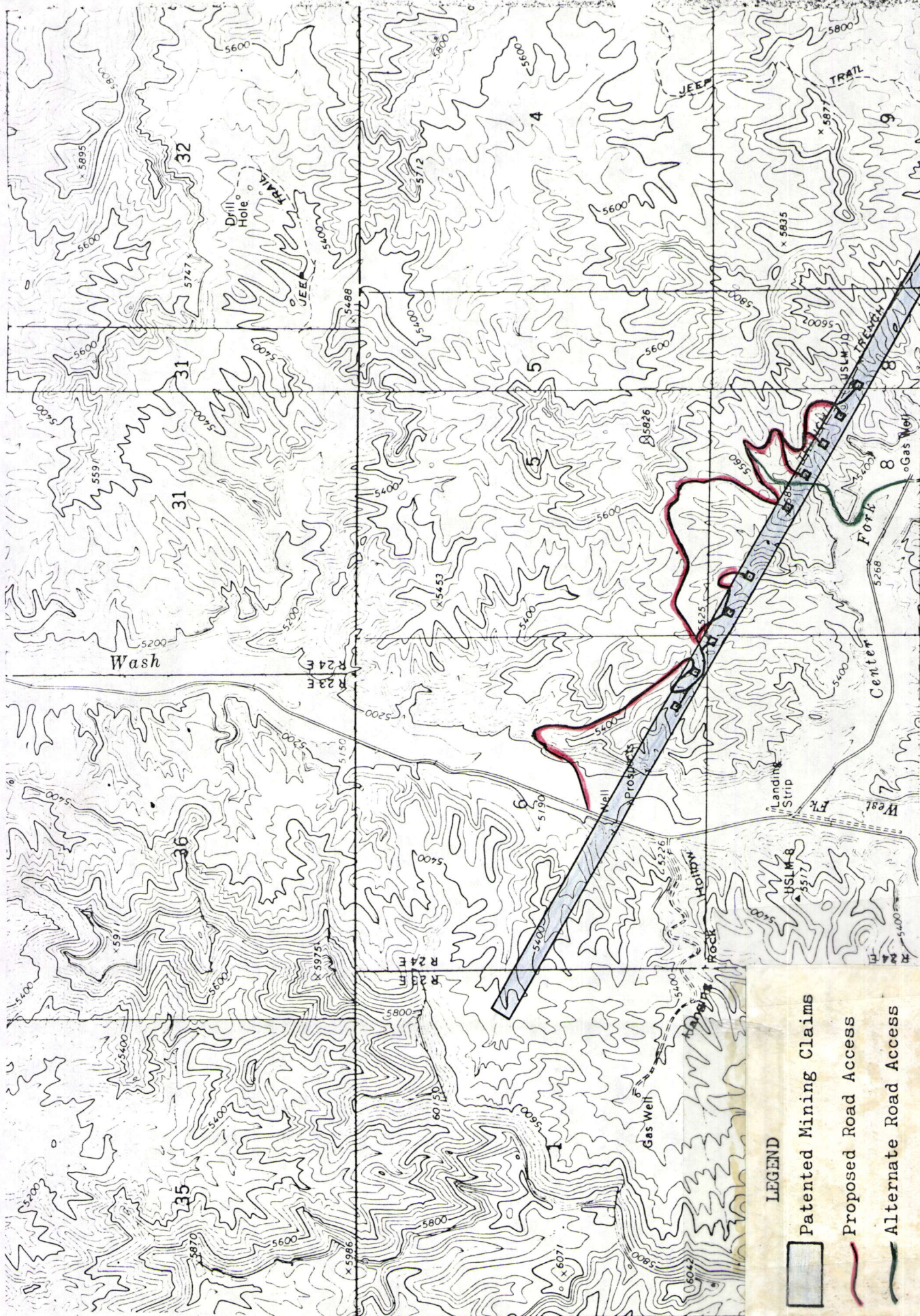
Exhibit "B"

1. Applicable regulations in 43 CFR Part 2800.
2. All valid rights existing on the date of this grant.
3. This right-of-way may be renewed. If renewed, the right-of-way will be subject to regulations existing at the time of renewal and such other terms and conditions deemed necessary to protect the public interest.
4. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of BLM administered lands under this right-of-way.
5. The right-of-way granted herein is an easement issued pursuant to the authority cited above.
6. There is hereby reserved to the Secretary of the Interior, or his lawful delegate, the right to grant additional rights-of-way or permits for compatible uses on, over, under, or adjacent to the land involved in this grant.
7. The holder shall comply with the applicable Federal and State laws and regulations concerning the use of pesticides (i.e., insecticides, herbicides, fungicides, rodenticides, and other similar substances) in all activities/operations under this grant. The holder shall obtain from the Authorized Officer approval of a written plan prior to the use of such substance. The plan must provide the type and quantity of material to be used; the pest, insect, fungus, etc. to be controlled; the method of application; the location of or storage and disposal of containers; and other information that the Authorized Officer may require. The plan should be submitted no later than December 1 of any calendar year that covers the proposed activities for the next fiscal year (i.e. December 1, 1983, deadline for a fiscal year 1985 action). If need for emergency use of pesticides is identified, the use must be approved by the Authorized Officer. The use of substances on or near the right-of-way shall be in accordance with the approved plan. A pesticide shall not be used if the Secretary of the Interior has prohibited its use. A pesticide shall be used only in accordance with its registered uses and within other limitations if the Secretary has imposed limitations. Pesticides shall not be permanently stored on public lands authorized for use under the grant.
8. The holder shall notify the Bookcliffs Area Manager ten (10) days in advance of his intent to commence any field operations associated with this right-of-way grant.
9. Scalping of topsoil and removal of low-growing vegetative cover shall be kept to a minimum.
10. Unless authorized in writing by the Authorized Officer, travel is restricted to the right-of-way and existing public roads.

11. The road shall be upgraded to meet the standards of the anticipated traffic flow and all-weather road requirement. Upgrading shall include ditching, draining, gravelling, crowning, and capping the roadbed as necessary to provide a well-constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Maximum allowed width shall be 30 feet total disturbed area. Maximum grade shall be 8 percent. Travelling off this 30 feet right-of-way shall not be allowed. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be gravelled in and access not made around them.
12. Surfacing material shall be native borrow material cut from areas within the right-of-way.
13. Blasting shall be kept to a minimum and restricted to the right-of-way.
14. Disturbed areas, which in the opinion of the Bookcliffs Area Manager are unsuitable to successfully revegetate, shall be protected under the provisions of approved "site protection plan". This shall state the method of protection to be used and the provision for prevention of site deterioration and introduction of noxious weeds (halogeton, etc.). The disturbed area shall be reseeded between October 1 and November 15 to the following per acre prescription:

Curly Grass	2 pounds/acre
Shadscale	2 pounds/acre
Western Wheatgrass	2 pounds/acre
Needle and Thread Grass	2 pounds/acre
TOTAL	<u>8 pounds/acre</u>
15. Within 20 days after conclusion of construction and operation, all construction materials and related litter and debris, including vegetative cover accumulated through land clearing, shall be disposed of in accordance with instructions of the Authorized Officer.
16. Before construction may commence, holder shall designate a representative for field operations who shall be the sole field representative of holder and holder's contractors in dealings with the Authorized Officer.
17. The holder shall comply with all state and federal regulations and laws pertaining to water quality, public health and public safety.
18. When all development and rehabilitation have been completed, a joint compliance check of the right-of-way shall be made by the holder and the Authorized Officer or his designated representative to determine compliance with the terms and conditions of this grant. Holder shall perform at his own expense any required modifications or additional reclamation work needed to comply with the terms of this grant.
19. Any damage to the road shall be repaired by the holder as soon as weather conditions permit.

20. The holder shall not restrict the use of the road for public access to lands administered by the United States for recreational and wildlife purposes or any other lawful purposes as long as such use does not unreasonably interfere with the use by the permittee.



LEGEND

Patented Mining Claims

Proposed Road Access

Alternate Road Access

from USGS ASPHALT WASH QUAD

7.5 min. series

Contour Interval 40 feet

APPLICATION FOR TRANSPORTATION AND
UTILITY SYSTEMS AND FACILITIES
ON FEDERAL LANDS

FORM APPROVED
OMB NO. 1004-0060
Expires May 31, 1983

NOTE: Before filing the application, the applicant should completely review this package and schedule a preapplication meeting with representatives of the agency responsible for processing the application. Each agency may have specific and unique requirements to be met in preparing and processing the application. Many times, with the help of the agency representative, the application can be completed at the preapplication meeting.

FOR AGENCY USE ONLY

Application Number

Date filed

1. Name and address of applicant (include zip code)

American Gilsonite Company
of Chevron Resources Company
Bonanza Mining Operations
Bonanza, Utah 84008

2. Name, title, and address of authorized agent if different from Item 1 (include zip code)

Richard E. Carlbert
Mine Engineer

3. TELEPHONE (area code)

Applicant
(801) 789-1921

Authorized Agent

same

4. As applicant are you? (check one)

- a. ☐ Individual
b. ☒ Corporation*
c. ☐ Partnership/Association*
d. ☐ State Government/State Agency
e. ☐ Local Government
f. ☐ Federal Agency

* If checked, complete supplemental page

5. Specify what application is for: (check one)

- a. ☒ New authorization
b. ☐ Renew existing authorization No. _____
c. ☐ Amend existing authorization No. _____
d. ☐ Assign existing authorization No. _____
e. ☐ Existing use for which no authorization has been received*
f. ☐ Other*

* If checked, provide details under Item 7

6. If an individual, or partnership are you a citizen(s) of the United States? ☐ Yes ☐ No

7. Project description (describe in detail): (a) Type of system or facility, (e.g. canal, pipeline, road); (b) related structures and facilities; (c) physical specifications (length, width, grading, etc.); (d) term of years needed; (e) time of year of use or operation; (f) volume or amount of product to be transported; (g) duration and timing of construction; and (h) temporary work areas needed for construction. (Attach additional sheets, if additional space is needed.)

Project consists of the construction and maintenance of an access and haulage road from Asphalt Wash to a series of patented mining claims along the Pride of the West gilsonite vein. The proposed roadway will be 24 feet wide with grades not to exceed eight (8) percent, and will pass through the SE $\frac{1}{4}$ of Section 6, the SW $\frac{1}{4}$ of Section 5, and the N $\frac{1}{2}$ of Section 8 in T11S, R24E. Berms and ditches will be constructed as required to prevent erosion and hazards to safety. Blasting may be required in some areas to achieve the desired grade and width of this roadway. The estimated length of this road on Federal land is 13,500 feet and involves a disturbed area of 7.5 acres.

This facility will be required for approximately 20 years, and will be put to bed and reclaimed when mining and site reclamation in this area is complete. Funding for construction has been allocated and construction will begin as soon as all application approvals are received.

8. Attach map covering area and show location of project proposal

9. State or local government approval: ☐ Attached ☒ Applied for ☐ Not required

10. Nonreturnable application fee: ☒ Attached ☐ Not required

11. Does project cross international boundary or affect international waterways? ☐ Yes ☒ No (If "yes," indicate on map)

12. Give statement of your technical and financial capability to construct, operate, maintain, and terminate system for which authorization is being requested.

Funding for construction has been allocated, and once the roadway is complete the mining activity will generate sufficient revenue for maintenance and reclamation. American Gilsonite Company is also bonded statewide with the Bureau of Land Management.

13a. Describe other reasonable alternative routes and modes considered.

In 1980, a different route was proposed to access this series of claims. At that time, the Bureau of Land Management asked that we continue to investigate alternate routes. Due to the nature of the terrain in this area, access is difficult at best. After traversing this area on foot, the route proposed is the only other feasible alternative.

b. Why were these alternatives not selected?
see above

c. Give explanation as to why it is necessary to cross Federal lands.

Due to the nature of the terrain, access along the patented mining claims is impossible. In order to construct a road with an acceptable grade it has to be constructed across Federal land.

14. List authorizations and pending applications filed for similar projects which may provide information to the authorizing agency.
(Specify number, date, code, or name.)

15. Provide statement of need for project, including the economic feasibility and items such as: (a) cost of proposal (construction, operation, and maintenance); (b) estimated cost of next best alternative; and (c) expected public benefits.

There exists about 40,000 tons of gilsonite reserves on these four mining claims which can only be recovered through the construction of this access road. Construction costs have been estimated at about \$100,000. Production from this area will enable continued employment for approximately twelve persons directly and contribute to the overall stability of this Company.

16. Describe probable effects on the population in the area, including the social and economic aspects, and the rural lifestyles.

No adverse affects are anticipated, and no change in the current use of the surrounding area will result from this project.

17. Describe likely environmental effects that the proposed project will have on: (a) air quality; (b) visual impact; (c) surface and ground water quality and quantity; (d) the control or structural change on any stream or other body of water; (e) existing noise levels; and (f) the surface of the land, including vegetation, permafrost, soil, and soil stability.

Environmental effects will be minimal, with visual impact perhaps being the most obvious. Due to the minimal usage this area receives from the general public, even this should not present a major obstacle.

18. Describe the probable effects that the proposed project will have on: (a) populations of fish, plant, wildlife, and marine life, including threatened and endangered species; and (b) marine mammals, including hunting, capturing, collecting, or killing these animals.

No endangered species of plants or animal habitat has been observed along the proposed route. Mining activities are currently on going in this general area, and no adverse effects have been encountered.

19. Name all the Department(s)/Agency(ies) where this application is being filed.

A copy of this application will be sent to the Utah Division of Oil, Gas, and Mining to keep them informed of ongoing development activities of this Company.

I HEREBY CERTIFY, That I am of legal age and authorized to do business in the State and that I have personally examined the information contained in the application and believe that the information submitted is correct to the best of my knowledge.

Signature of Applicant

Date

Richard E. Carbert

1/14/83

Title 18, U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

SUPPLEMENTAL

NOTE: The responsible agency(ies) will provide additional instructions.	CHECK APPROPRIATE BLOCK	
	ATTACHED	FILED *
I – PRIVATE CORPORATIONS		
a. Articles of Incorporation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Corporation Bylaws	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. A certification from the State showing the corporation is in good standing and is entitled to operate within the State.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Copy of resolution authorizing filing	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. The name and address of each shareholder owning 3 percent or more of the shares, together with the number and percentage of any class of voting shares of the entity which such shareholder is authorized to vote and the name and address of each affiliate of the entity together with, in the case of an affiliate controlled by the entity, the number of shares and the percentage of any class of voting stock of that affiliate owned, directly or indirectly, by that entity, and in the case of an affiliate which controls that entity, the number of shares and the percentage of any class of voting stock of that entity owned, directly or indirectly, by the affiliate.	<input checked="" type="checkbox"/> **	<input type="checkbox"/>
f. If application is for an oil or gas pipeline, describe any related right-of-way or temporary use permit applications, and identify previous applications.	<input type="checkbox"/>	<input type="checkbox"/>
g. If application is for an oil and gas pipeline, identify all Federal lands by agency impacted by proposal.	<input type="checkbox"/>	<input type="checkbox"/>

II – PUBLIC CORPORATIONS

a. Copy of law forming corporation	<input type="checkbox"/>	<input type="checkbox"/>
b. Proof of organization	<input type="checkbox"/>	<input type="checkbox"/>
c. Copy of Bylaws	<input type="checkbox"/>	<input type="checkbox"/>
d. Copy of resolution authorizing filing	<input type="checkbox"/>	<input type="checkbox"/>
e. If application is for an oil or gas pipeline, provide information required by Item "I-f" and "I-g" above.	<input type="checkbox"/>	<input type="checkbox"/>

III – PARTNERSHIP OR OTHER UNINCORPORATED ENTITY

a. Articles of association, if any	<input type="checkbox"/>	<input type="checkbox"/>
b. If one partner is authorized to sign, resolution authorizing action is	<input type="checkbox"/>	<input type="checkbox"/>
c. Name and address of each participant, partner, association, or other	<input type="checkbox"/>	<input type="checkbox"/>
d. If application is for an oil or gas pipeline, provide information required by Item "I-f" and "I-g" above.	<input type="checkbox"/>	<input type="checkbox"/>

*If the required information is already filed with the agency processing this application and is current, check block entitled "Filed." Provide the file identification information (e.g. number, date, code, name). If not on file or current, attach the requested information.

** All common stock for American Gilsonite Company is currently held by
Standard Oil Company of California
225 Bush Street
San Fransico, California 94119

NOTICE

The Privacy Act of 1974 provides that you be furnished the following information in connection with information required by this application for an authorization.

AUTHORITY: 16 U.S.C. 310; 5 U.S.C. 301.

PRINCIPAL PURPOSE: The information is to be used to process the application.

ROUTINE USES: (1) The processing of the applicant's request for an authorization. (2) Documentation for public information.

(3) Transfer to appropriate Federal agencies when concurrence is required prior to granting a right in public lands or resources. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION: Disclosure of the information is voluntary. If all the information is not provided, the application may be rejected.

DATA COLLECTION STATEMENT

The Federal agencies collect this information from applicants requesting right-of-way, permit, license, lease, or certification for the use of Federal lands.

The Federal agencies use this information to evaluate the applicant's proposal.

The public is obligated to respond to this information request if they wish to obtain permission to use Federal lands.